

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other				Local Government Name		County	
Audit Date		Opinion Date		Date Accountant Report Submitted to State:			

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☐ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☐ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☐ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☐ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☐ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☐ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			
Reports on individual federal financial assistance programs (program audits).			
Single Audit Reports (ASLGU).			

Certified Public Accountant (Firm Name)				
Street Address		City	State	ZIP Code
Accountant Signature <i>Siegfried Crandall P.C.</i>			Date	

Township of Manlius
Allegan County, Michigan
**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**
Year ended March 31, 2005

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Township of Manlius, Michigan

We have audited the accompanying financial statements of the governmental activities and each major fund of the Township of Manlius, Michigan, as of March 31, 2005, and for the year then ended, which collectively comprise the Township's basic financial statements, as listed in the contents. These financial statements are the responsibility of the Township of Manlius, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Township of Manlius, Michigan, as of March 31, 2005, and the respective changes in financial position thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 12, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of April 1, 2004.

The budgetary comparison information on pages 17 through 21 and the Analysis of Funding Progress on page 22, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Board of Trustees
Township of Manlius, Michigan
Page 2

The Township of Manlius, Michigan, has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the financial statements.

Sigfried Crandall P.C.

July 21, 2005

BASIC FINANCIAL STATEMENTS

Township of Manlius
STATEMENT OF NET ASSETS
March 31, 2005

	<u>Governmental activities</u>
ASSETS	
Current assets:	
Cash	\$ 873,718
Receivables	39,257
Due from other governmental units	<u>28,415</u>
Total current assets	<u>941,390</u>
Noncurrent assets:	
Capital assets (net of accumulated depreciation)	<u>563,734</u>
Total assets	<u>1,505,124</u>
LIABILITIES	
Current liabilities:	
Payables	13,929
Due to others	<u>6,986</u>
Total liabilities	<u>20,915</u>
NET ASSETS	
Invested in capital assets	563,734
Restricted for public safety	127,316
Unrestricted	<u>793,159</u>
Total net assets	<u>\$ 1,484,209</u>

See notes to financial statements

Township of Manlius
STATEMENT OF ACTIVITIES
Year ended March 31, 2005

	<u>Program Revenues</u>				<u>Net (expenses) revenues and changes in net assets</u>
	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	
Functions/Programs					
Governmental activities:					
Legislative	\$ 7,319	\$ -	\$ -	\$ -	\$ (7,319)
General government	149,588	5,408	-	-	(144,180)
Public safety	147,393	40,301	-	-	(107,092)
Public works	127,173	7,634	-	-	(119,539)
Health and welfare	5,438	5,208			(230)
Community and economic development	<u>35,365</u>	<u>2,400</u>	<u>-</u>	<u>-</u>	<u>(32,965)</u>
Total governmental activities	<u>\$ 472,276</u>	<u>\$ 60,951</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(411,325)</u>
General revenues:					
Taxes					485,435
State grants					183,636
Franchise fees					5,420
Investment income					9,150
Other					<u>1,430</u>
Total general revenues					<u>685,071</u>
Change in net assets					273,746
Net assets - beginning					<u>1,210,463</u>
Net assets - ending					<u>\$ 1,484,209</u>

See notes to financial statements

Township of Manlius
BALANCE SHEET - governmental funds
 March 31, 2005

	<u>General</u>	<u>Fire</u>	<u>Road Improvement</u>	<u>Road Resurfacing</u>	<u>Total governmental funds</u>
ASSETS					
Cash	\$ 746,402	\$ 127,316	\$ -	\$ -	\$ 873,718
Receivables	39,257	-	-	-	39,257
Due from other governmental units	28,415	-	-	-	28,415
Total assets	<u>\$ 814,074</u>	<u>\$ 127,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 941,390</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payables	\$ 13,929	\$ -	\$ -	\$ -	\$ 13,929
Due to others	6,986	-	-	-	6,986
Total liabilities	<u>20,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,915</u>
Fund balances	<u>793,159</u>	<u>127,316</u>	<u>-</u>	<u>-</u>	<u>920,475</u>
Total liabilities and fund balances	<u>\$ 814,074</u>	<u>\$ 127,316</u>	<u>\$ -</u>	<u>\$ -</u>	

Amounts reported for *governmental activities* in the statement of net assets (page 5) are different because:

Capital assets used in *governmental activities* are not financial resources and, therefore, are not reported in the funds.

563,734

Net assets of *governmental activities* (page 5)

\$ 1,484,209

Township of Manlius

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - governmental funds

Year ended March 31, 2005

	<u>General</u>	<u>Fire</u>	<u>Road Improvement</u>	<u>Road Resurfacing</u>	<u>Total governmental funds</u>
REVENUES					
Taxes	\$ 93,650	\$ 135,611	\$ 139,944	\$ 116,230	\$ 485,435
Licenses and permits	45,746	-	-	-	45,746
State grants	183,636	-	-	-	183,636
Charges for services	7,783	-	-	-	7,783
Interest and rentals	9,150	-	-	-	9,150
Other	14,272	-	-	-	14,272
Total revenues	<u>354,237</u>	<u>135,611</u>	<u>139,944</u>	<u>116,230</u>	<u>746,022</u>
EXPENDITURES					
Legislative	7,319	-	-	-	7,319
General government	142,340	-	-	-	142,340
Public safety	42,380	105,013	-	-	147,393
Public works	547,460	-	-	-	547,460
Health and welfare	5,438	-	-	-	5,438
Community and economic development	35,365	-	-	-	35,365
Capital outlay	15,900	-	-	-	15,900
Total expenditures	<u>796,202</u>	<u>105,013</u>	<u>-</u>	<u>-</u>	<u>901,215</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(441,965)</u>	<u>30,598</u>	<u>139,944</u>	<u>116,230</u>	<u>(155,193)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	256,174	-	-	-	256,174
Transfers out	-	-	(139,944)	(116,230)	(256,174)
Total other sources (uses)	<u>256,174</u>	<u>-</u>	<u>(139,944)</u>	<u>(116,230)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(185,791)</u>	<u>30,598</u>	<u>-</u>	<u>-</u>	<u>(155,193)</u>
FUND BALANCES - BEGINNING	<u>978,950</u>	<u>96,718</u>	<u>-</u>	<u>-</u>	<u>1,075,668</u>
FUND BALANCES - ENDING	<u>\$ 793,159</u>	<u>\$ 127,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 920,475</u>

See notes to financial statements

Township of Manlius
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - governmental funds (Continued)
Year ended March 31, 2005

	<u>Total governmental funds</u>
Net change in fund balances - total governmental funds (page 8)	\$ (155,193)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays net of dispositions \$(446,058) exceeded depreciation \$(17,119) in the current period.	<u>428,939</u>
Change in net assets of <i>governmental activities</i> (page 6)	<u>\$ 273,746</u>

See notes to financial statements

Township of Manlius
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Township of Manlius, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies.

a) Reporting entity:

The accompanying financial statements present only the Township. There are no component units, entities for which the Township is considered to be financially accountable.

b) Government-wide and fund financial statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Township. The effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

c) Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Township of Manlius
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

c) Measurement focus, basis of accounting, and financial statement presentation (continued):

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Fire Fund accounts for the financial resources used for the operational costs of the township fire protection functions. Revenues are primarily derived from property taxes.

The Road Improvement Fund accounts for the financial resources used for road maintenance projects in the Township. Revenues are primarily derived from property taxes.

The Road Resurfacing Fund accounts for the financial resources used for road resurfacing projects in the Township. Revenues are primarily derived from property taxes.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in the government-wide financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board (GASB).

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

d) Assets, liabilities, and net assets or equity:

i) *Bank deposits* - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Pooled interest income is proportionately allocated to all funds.

ii) *Receivables* - In general, outstanding balances between funds are reported as "due to/from other funds." No allowance for uncollectible accounts has been recorded as the Township considers all receivables to be fully collectible.

Township of Manlius
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

iii) *Capital assets* - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Township as assets (other than infrastructure) with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning April 1, 2005.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	20 - 40 years
Equipment	10 years
Roads	20 years

v) *Fund equity* - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

vi) *Property tax revenue recognition* - Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on or before February 14, after which time the bill becomes delinquent and penalties and interest may be assessed by the Township. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Township levy date is December 1, and, accordingly, the total levy is recognized as revenue in the current year.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the function level. All annual appropriations lapse at the end of the fiscal year. The Township had no significant budget variations except as follows:

<u>Fund</u>	<u>Function</u>	<u>Amended budget</u>	<u>Actual</u>
Road Improvement	Transfer out	\$ 120,000	\$ 139,944
Road Resurfacing	Transfer out	100,000	116,230

Township of Manlius
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - CASH AND INVESTMENTS:

Deposits are carried at cost and are maintained at various financial institutions in the name of the Township. State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority. At March 31, 2005, the Township has deposits with a carrying amount of \$873,718 and a bank balance of \$881,532. Of the bank balance, \$800,000 is covered by federal depository insurance and \$81,532 is uninsured.

NOTE 4 - RECEIVABLES:

Receivables as of year end for the Township's individual major funds, are as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Property taxes</u>	<u>Inter- governmental</u>	<u>Total</u>
General	\$ 3,270	\$ 35,537	\$ 28,415	\$ 67,222

All receivables are considered fully collectible.

NOTE 5 - CAPITAL ASSETS:

Capital asset activity for the year ended March 31, 2005, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Capital assets not being depreciated - land	\$ 54,000	\$ -	\$ -	\$ 54,000
Capital assets being depreciated:				
Buildings	85,937	4,481	-	90,418
Equipment	36,440	11,735	8,461	39,714
Infrastructure	-	431,064	-	431,064
Subtotal	122,377	447,280	8,461	561,196
Less accumulated depreciation for:				
Buildings	21,206	2,399	-	23,605
Equipment and vehicles	20,376	3,943	7,239	17,080
Infrastructure	-	10,777	-	10,777
Subtotal	41,582	17,119	7,239	51,462
Total capital assets being depreciated, net	80,795	430,161	1,222	509,734
Governmental activities capital assets, net	\$ 134,795	\$ 430,161	\$ 1,222	\$ 563,734

Township of Manlius
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - CAPITAL ASSETS (Continued):

Depreciation expense was charged to functions of the Township as follows:

General government	\$ 6,342
Public works	<u>10,777</u>
Total governmental activities	<u>\$ 17,119</u>

NOTE 6 - PAYABLES:

	<u>Accounts</u>	<u>Payroll</u>	<u>Other</u>	<u>Total</u>
General Fund	<u>\$ 6,964</u>	<u>\$ 6,965</u>	<u>\$ 6,986</u>	<u>\$ 20,915</u>

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

A summary of interfund transfers for the year ended March 31, 2005, is as follows:

<u>Fund</u>	<u>Transfer in</u>	<u>Fund</u>	<u>Transfer out</u>
General	<u>\$ 256,174</u>	Road Improvement	\$ 139,944
		Road Resurfacing	<u>116,230</u>
			<u>\$ 256,174</u>

The transfers to the General Fund represent restricted revenues collected in special revenue funds to pay for road maintenance and resurfacing costs accounted for in the General Fund.

NOTE 8 - JOINT VENTURES:

The Township provides fire protection services through contractual arrangements as follows:

a) Hamilton Area Fire Board:

The Township is a member of the Hamilton Area Fire Board (the Authority), which is a joint venture of the Townships of Manlius, Heath, and Fillmore. The Administrative Board of the Authority consists of members appointed by each participating unit and three non-voting members from the Hamilton Fire Department. The Authority was formed to jointly provide fire protection services within the combined service area, which encompasses the participating municipalities. During the year ended March 31, 2005, the Township contributed \$60,625 as its proportionate share of the Authority's budgeted costs. Complete audited financial statements for the Authority can be obtained from the Clerk of the Township of Heath.

Township of Manlius
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - JOINT VENTURES (Continued):

b) Fennville Area Fire Board:

The Township is a member of the Fennville Area Fire Board (the Authority), which is a joint venture of the Townships of Manlius and Clyde, and the City of Fennville. The Administrative Board of the Authority consists of members appointed by each participating unit. The Authority was formed to jointly provide fire protection services within the combined service area, which encompasses the participating municipalities. During the year ended March 31, 2005, the Township contributed \$44,238 as its proportionate share of the Authority's budgeted costs. Complete audited financial statements for the Authority can be obtained from the Treasurer of the Fennville Fire Department.

NOTE 9 - CONSTRUCTION CODE ACT:

A summary of construction code enforcement transactions for the year ended March 31, 2005, is as follows:

Permit revenue	\$ 41,407
Inspections expenses	<u>(47,513)</u>
Deficiency of revenues over expenses	<u>\$ (6,106)</u>

NOTE 10 - RISK MANAGEMENT:

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self insured nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 11 - DEFINED BENEFIT PENSION PLAN:

The Township's defined benefit pension plan provides retirement, disability, and death benefits to plan members and beneficiaries. The Township's defined benefit pension plan is affiliated with the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for municipalities in Michigan. Public Act 220 of 1996 of the State of Michigan assigns the authority to establish and amend the benefit provisions to the Township. The MERS issues a publicly-available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Municipal Employees' Retirement System of Michigan, 447 N. Canal, Lansing, Michigan 48917, or by calling 1-800-767-6377.

a) Funding policy:

MERS members may contribute from 0% to 10% of annual compensation. The Township is required to contribute at an actuarially determined rate; the current rate is 7.8% to 16.8% of annual covered payroll depending on the member contributions. The contribution requirements of plan members and the commission are established, and may be amended, by MERS.

Township of Manlius
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued):

b) Annual pension cost:

For the year ended March 31, 2005, the Township contributions were \$10,084, which were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 2003. The employer contribution rate has been determined using the entry age normal cost funding method. Under the entry age normal cost funding method, the total employer contribution is comprised of the normal cost. The employer normal cost is, for each employee, the level percentage of payroll contribution (from entry age to retirement) required to accumulate sufficient assets at the member's retirement to pay for his projected benefit. Significant actuarial assumptions used included (a) 8.0% long-term net investment rate of return and (b) projected salary increases of 4.5% per year. The actuarial value of MERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

c) Trend information:

<i>Fiscal year ended March 31</i>	<i>Annual pension cost (APC)</i>	<i>Percentage of APC contributed</i>	<i>Net pension obligation</i>
2003	\$ 8,664	100%	\$ -
2004	10,088	100%	-
2005	10,084	100%	-

NOTE 12 - CHANGE IN ACCOUNTING PRINCIPLES:

Effective April 1, 2004, the Township implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, along with all related statements and interpretations. In connection with the implementation of this statement, the following adjustments to beginning net assets have been made to reflect the cumulative effect of this accounting change:

Net assets as previously reported:	
General and special revenue fund balances	\$ 1,075,668
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>134,795</u>
Net assets, as restated	<u>\$ 1,210,463</u>

REQUIRED SUPPLEMENTARY INFORMATION

Township of Manlius
BUDGETARY COMPARISON SCHEDULE - General Fund
Year ended March 31, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Taxes	\$ 80,000	\$ 80,000	\$ 93,650	\$ 13,650
Licenses and permits	31,656	31,656	45,746	14,090
State grants	190,000	190,000	183,636	(6,364)
Charges for services	12,200	12,200	7,783	(4,417)
Interest and rentals	15,000	15,000	9,150	(5,850)
Other	12,920	12,920	14,272	1,352
Total revenues	<u>341,776</u>	<u>341,776</u>	<u>354,237</u>	<u>12,461</u>
EXPENDITURES				
Legislative	<u>8,000</u>	<u>6,200</u>	<u>7,319</u>	<u>(1,119)</u>
General government:				
Supervisor	14,025	13,583	13,583	-
Election	6,900	6,151	6,088	63
Assessor	21,200	21,308	19,638	1,670
Clerk	18,300	17,895	17,859	36
Board of review	3,100	1,951	1,883	68
Treasurer	20,700	17,964	18,687	(723)
Hall and grounds	22,600	17,038	14,795	2,243
Cemetery	7,800	4,689	6,767	(2,078)
Other	72,200	43,516	43,040	476
Total general government	<u>186,825</u>	<u>144,095</u>	<u>142,340</u>	<u>1,755</u>
Public safety - building inspection	<u>50,000</u>	<u>42,143</u>	<u>42,380</u>	<u>(237)</u>
Total public safety	<u>50,000</u>	<u>42,143</u>	<u>42,380</u>	<u>(237)</u>
Public works:				
Highways and streets	600,000	542,183	542,183	-
Street lights	8,000	4,062	4,005	57
Sanitation	2,000	1,234	1,234	-
Drains	2,000	38	38	-
Total public works	<u>612,000</u>	<u>547,517</u>	<u>547,460</u>	<u>57</u>

Township of Manlius
BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)
Year ended March 31, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXPENDITURES (Continued)				
Health and welfare - ambulance	\$ 6,000	\$ 5,263	\$ 5,438	\$ (175)
Community and economic development - planning and zoning	54,250	37,563	35,365	2,198
Capital outlay	10,000	15,394	15,900	(506)
Total expenditures	927,075	798,175	796,202	1,973
DEFICIENCY OF REVENUES OVER EXPENDITURES	(585,299)	(456,399)	(441,965)	14,434
OTHER FINANCING SOURCES				
Transfer in	220,000	220,000	256,174	36,174
NET CHANGE IN FUND BALANCES	(365,299)	(236,399)	(185,791)	50,608
FUND BALANCES - BEGINNING	978,950	978,950	978,950	-
FUND BALANCES - ENDING	\$ 613,651	\$ 742,551	\$ 793,159	\$ 50,608

Township of Manlius
BUDGETARY COMPARISON SCHEDULE - Fire Fund
Year ended March 31, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Taxes	\$ 120,000	\$ 120,000	\$ 135,611	\$ 15,611
EXPENDITURES				
Public safety:				
Fire Board salary	1,000	150	150	-
Contracted services	120,000	115,213	104,863	10,350
Total expenditures	121,000	115,363	105,013	10,350
NET CHANGE IN FUND BALANCES	(1,000)	4,637	30,598	25,961
FUND BALANCES - BEGINNING	96,718	96,718	96,718	-
FUND BALANCES - ENDING	\$ 95,718	\$ 101,355	\$ 127,316	\$ 25,961

Township of Manlius
BUDGETARY COMPARISON SCHEDULE - Road Improvement Fund
Year ended March 31, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Taxes	\$ 120,000	\$ 120,000	\$ 139,944	\$ 19,944
OTHER FINANCING USES				
Operating transfer out - General	<u>(120,000)</u>	<u>(120,000)</u>	<u>(139,944)</u>	<u>(19,944)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Township of Manlius**BUDGETARY COMPARISON SCHEDULE - Road Resurfacing Fund**

Year ended March 31, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Taxes	\$ 100,000	\$ 100,000	\$ 116,230	\$ 16,230
OTHER FINANCING USES				
Operating transfer out - General	<u>(100,000)</u>	<u>(100,000)</u>	<u>(116,230)</u>	<u>(16,230)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Township of Manlius
ANALYSIS OF FUNDING PROGRESS - Employee Retirement System
(Municipal Employees' Retirement System of Michigan)

The information presented in the required supplementary schedule was determined as part of the actuarial valuation at the dates indicated.

<i>Actuarial valuation date December 31</i>	<i>Actuarial value of assets (a)</i>	<i>Actuarial liability (AAL) entry age (b)</i>	<i>Underfunded (overfunded) AAL (UAAL) (b-a)</i>	<i>Funded ratio (a/b)</i>	<i>Covered payroll (c)</i>	<i>UAAL as a percentage of covered payroll ((b-a)/c)</i>
2000	\$ 7,024	\$ 109,599	\$ 102,575	6%	\$ 68,438	150%
2001	21,982	130,288	108,306	17%	72,997	148%
2002	40,335	147,415	107,080	27%	75,095	143%
2003	63,552	181,722	118,170	35%	82,464	143%